

$$\frac{9.75}{10} + \frac{0.5}{10} + \frac{9.5}{10} + \frac{9.75}{10} + \frac{0}{10} = \frac{\quad}{50}$$

## II. Analysis of the International Business Model

A. Economic, political and legal analysis of the trading country

1. Belgium's economy is classified as a mixed, modern, open and private-enterprise based economy. A free market capitalist system, in which there is little government restriction, businesses are owned and operate by private individuals for profit, instead of by or for any government or its agencies. Belgium's GDP has been increasing from \$237.905 billion in 2000 to ~~\$483.58 billion and more recently~~ \$494.1 billion in 2015. According to the CIA World Factbook, Belgium's population is an estimated 11.4 million in July 2016. Belgium's population ranks 78th in the world around the same population size as the countries of Cuba, Tunisia and Chad. The GDP per Capita in 2000 was \$23,151.94 to ~~\$44,358.26 in 2010~~ and is now ~~and more recently~~ \$43,600 in 2015. The labor force of Belgium comprises <sup>is</sup> 5.279 million which ranks <sup>as</sup> the 75th largest labor force in the world. The unemployment rate ~~in 2010~~ <sup>is somewhat</sup> was 8.24% and 8.6% in 2015, Belgium's unemployment rate ranks 99th in the world. Belgium's increasing inflation rate calculated in 2014 was 0.5% and 0.6% in 2015. According to the CIA World Factbook, the foreign direct investment in Belgium has increased to \$1.24 trillion in 2015. The Global Economy FDI Confidence Index, gives Belgium a confidence rating of 1.7 which ranks 17th in the World. High Confidence Based on?

2. Belgium's government structure is a federal parliamentary democracy under a constitutional monarchy. In 2013, internet site, Quandl, ranked Belgium's Political Stability and Absence of Violence/Terrorism as 0.92. In addition, Global Economy ranked Belgium in terms of political stability as 54th in the world. However, these rankings may be low due to the fact that these estimates were produced before the 2016 Brussels' Airport Bombings in which ISIL affiliated suicide bombers killed 32 civilians and injured more than 300 people. The political instability and domestic violence/terrorism in Belgium have been greater since the increased prevalence of terror related violence in the past two years. Heritage's Trade Freedom Score ranked Belgium 68.4 out of 100 or 44th in the world. Global Economy's Trade Openness ranks Belgium 11th in the world. Lastly, Heritage's Business Freedom Score ranks Belgium as 85.4 out of 100. Maybe list One Score But explain Factors That Lead to Score Versus Just Scores.

3. Belgium is a member of the United Nations, NATO, the Euro-Atlantic Partnership Council, Organization for Security Cooperation in Europe, the Organization for Economic Cooperation and Development as well as the IMF, the World Bank and the WTO. Written employment contracts are required under the following conditions: student employment, fixed-term, replacement, part-time, temporary work, and domestic worker. A trial clause and a non-competition clause must be stated in writing. The use of Dutch is required when the employer has headquarters in the Dutch speaking region. This also applies to French and German in the French and German speaking areas. In the multilingual Brussels Capital Region an employer must draw up documents in Dutch for Dutch-speaking staff and in French for French-speaking staff. Trade unions have quite a bit of power in Belgium so employers must adhere to worker's rights.

Labor?

Headings →

May Not Want To Include

## B. Trade area and cultural analysis

1. Belgium is located in Western Europe bordering the North Sea, between France and the Netherlands. The total area of Belgium is 30,528 square km. which ranks 141th in the world making it the size of Maryland. The population density of Belgium is 371 persons per square km ranking 36th in the world. Belgium's climate is classified as a temperate maritime climate. Belgium's agriculture focuses on barley, corn, potatoes, sugar beets and wheat. The major metropolitan areas of Belgium include Brussels, the capital, Antwerp, Liège, Charleroi and Bruges. Topographically, there are flat coastal plains in northwest, central rolling hills and rugged mountains of the Ardennes Forest in southeast. In terms of transportation, Belgium's prime location lends itself to transportation activity which has made it an attractive location for the international headquarters of the European Union and the North Atlantic Treaty Organization. The port of Antwerp is the 2nd largest in Europe, the port of Bruges-Zeebrugge is the 12th largest port in Europe and the International Brussels Airport are major points of transportation infrastructure. There are three official languages in Belgium: Dutch, French and German. 59% of the Belgian population primarily speaks Dutch in the Flemish (northern) region, 40% of the Belgian population primarily speaks French in the Walloon (southern) region and 1% of the Belgian population speaks German in the communities along the Belgian-German border. Belgium's education system is divided into three distinct federal regions: the Dutch, French and German speaking communities. Under each region there are community schools operated by the government, publicly subsidised schools by the community, and private schools that are religiously affiliated. The literacy rate in Belgium is 99% in which the government requires 12 years of compulsory education. 57% of Belgium is enrolled in colleges or universities. Nearly 75% of Belgium is roman catholic while the protestant, agnostic, muslim, jewish and atheist groups make up 25% of the population. Belgium is one of the least nationalistic countries in the world. Family is the priority for most Belgians. In addition, appearance, cleanliness and organization are important for most Belgians. There is also an egalitarian view amongst of Belgium. Subtlety is preferred over directness or especially confrontation. According to Belgium's Hofstede model, there is an emphasis placed on the individual over the collective group, many Belgians feel threatened by uncertain circumstances, but at the same time there is a willingness to adapt culturally, economically and socially. The bicycle is a major part of Belgian culture. It can be used as a mode of transportation as well as a leisurely product. There is a portion of the Belgian population that tends to enjoy indulgence.

} Flow  
As  
End.

Emphasize  
Competitive  
Advantage  
to conclude

Rubric Grading Scale for Each Section

Group: Jackson & Grey

IBP: Belgium

Section II, Part A A. Economic, political and legal analysis of the trading country	Sources: CIA World Factbook: Economy The Global Economy Heritage Foundation Doing Business In: <a href="http://www.doingbusiness.org/">http://www.doingbusiness.org/</a> Export.gov <a href="http://export.gov/worldwide_us/index.asp">http://export.gov/worldwide_us/index.asp</a>	Examples of Economic Impactors: GDP Labor Force Human Development Public Debt Taxes & Other Revenue Exports Imports Industrial Production Growth Rate (For manufacturing businesses)	GDP/Per Capita Labor Force by Occupation Population below poverty line Inflation Rate Exchange Rates Exports - Commodities Import - Partners	Agriculture Products Unemployment Rate Budget Debt- External Export - Partners Import - Partners	Industries that are prevalent in your IBP Country Household income or consumption by % share Distribution of Family Income Market Value of Publicly Traded Stocks Commercial Bank Primary Lending Rate
A Grade (Formal: 13.5 - 15 pts)		B/C Grade (Formal: 10.5 - 13.49 pts)		D/F Point Grade (Formal: Below 10.5 pts)	
Economic System	<ul style="list-style-type: none"> <li>Type of Economic System Used in IBP Country is Stated</li> <li>An understanding of what that type of economic system means is displayed</li> <li>Advantages / disadvantages of operating in this type of economic system are given</li> </ul>	<ul style="list-style-type: none"> <li>Type of economic system is stated but not explained.</li> <li>Limited amount of advantages &amp; Disadvantages given</li> </ul>	<ul style="list-style-type: none"> <li>Type of economic system is copied from internet with no understanding of what it means given</li> <li>No advantages / disadvantages of system provided</li> </ul>		
Free Market	<ul style="list-style-type: none"> <li>Multiple Economic Impactors are stated with supporting evidence as to why those impactors matter given.</li> </ul>	<ul style="list-style-type: none"> <li>Only a couple Economic Impactors are provided</li> <li>Economic impactors provided are not explained in depth &amp; limited evidence relating to why they are important to your IBP country is given</li> </ul>	<ul style="list-style-type: none"> <li>Minimal to no economic impactors are provided.</li> <li>Paper does not explain economic factors that affect a foreign company expanding to their IBP market</li> <li>Facts are given to fill space with no understanding of their impact</li> </ul>		
GDP GDP/capita Unemployment	<ul style="list-style-type: none"> <li>Level of FDI is given (Market Overview: Export.gov)</li> <li>Stock of FDI at home &amp; abroad is stated &amp; explained</li> <li>Comparison to the USA is given</li> <li>Reasons as to why your FDI Level are important are given/explained</li> <li>Economic Globalization</li> </ul>	<ul style="list-style-type: none"> <li>FDI - Home is stated</li> <li>Limited explanation is given as to what that level means</li> <li>Paper doesn't make comparisons between IBP country &amp; other major markets</li> </ul>	<ul style="list-style-type: none"> <li>FDI is either unstated, inaccurate, or unexplained.</li> <li>Student displays minimal to no understanding of FDI concept.</li> </ul>		
1.24 Trillion					
Level of Foreign Direct Investment					
Total Grade					
Rough Draft Turned in on Time	Due Date: <u>October 25, 2016</u>	Yes	No	Turned in late on: _____	/10 pts

\*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.

4.2 Key Terms / Concepts from Textbook:

- You are responsible for taking notes on the four economic systems stated (Market, Mixed, Planned, & Traditional)
- Key Terms: Political Economy, Concept of Economic Integration, Customs Union, Common Market, FTA
- Need to know Free Trade Agreements: NAFTA (Pros/Cons), COMESA, CACM, ASEAN, CARICOM, CAFTA, FTAA (Pros / Cons)

Section II Part A

2. Describe the trading country's governmental structure and stability, how the government controls trade and private business

	A Grade (Formal: 18 – 20 pts)	B/C Grade (Formal: 14 – 17.9 pts)	D/F Point Grade (Formal: Below 14 pts)
<p>Sources: CIA World Factbook: Government The Global Economy (GE) <a href="http://www.theglobaleconomy.com/">http://www.theglobaleconomy.com/</a> The Heritage Foundation (HF) <a href="http://www.heritage.org/index/">http://www.heritage.org/index/</a></p> <p><i>Const. Monarchy</i> <b>Government Structure</b> <i>Federal Parliamentary Dem.</i></p>	<ul style="list-style-type: none"> <li>Type of Government that controls country is stated &amp; explained Example: The USA is a Federal Republic with a strong Democratic tradition.</li> <li>Political Pressure Groups &amp; Leaders</li> <li>Who is the head of your IBP government</li> <li>Elections / Appointment Process is explained</li> <li>Example: Presidents in the United States are elected to 4 year terms with a max of 8 years in which they can serve.</li> <li>An overview of the last 50 years is given. Any major changes to how that country operates (Russia switching from Communist to)</li> <li>Level of corruption is documented / explained</li> <li>Level of Political Risk is given &amp; a comparison to previous years; as well as, other countries is documented</li> <li>Level of Political Stability (GE)</li> </ul>	<ul style="list-style-type: none"> <li>Type of Government that controls country is stated but not explained</li> <li>Current political regime is not listed</li> <li>No background information into how your IBP country structures its political process is explained.</li> <li>Government stability is hinted at but not explained. Example would be stating that presidents are elected every 4 years in the USA but no timeframe for how long that system has existed is given.</li> <li>No examples or acknowledgement of recent history is provided</li> <li>Corruption stats are given but no supporting evidence or world rankings given to add clarity</li> <li>Level of Political risk is only stated</li> </ul>	<ul style="list-style-type: none"> <li>Type of political system is only listed, no detail</li> <li>No current or background information relating to the current type of government is given</li> <li>Government stability is not provided</li> <li>No examples of former political process or systems are given</li> <li>Level of Corruption is either not provided or incorrect</li> <li>No level of political risk is given</li> </ul>
<p><b>Government Stability</b></p>	<ul style="list-style-type: none"> <li>International organization participation (CIA)</li> <li>Political Globalization (GE)</li> <li>Level of government involvement relating to free trade is given(HF)</li> <li>Trade Balance (Export)</li> </ul>	<ul style="list-style-type: none"> <li>How active &amp; supportive the government is in regards to free trade is stated but no evidence is provided to prove statement</li> <li>Level of globalization is not mentioned or explained</li> </ul>	<ul style="list-style-type: none"> <li>No stats or evidence is given explaining how controlling the government is in regards to how that country conducts trade</li> <li>Paper displays a very limited or inconclusive portrayal of government when it comes to its stance on trade</li> <li>Paper only briefly discusses governments role in business</li> <li>Paper lacks statistical evidence &amp; analysis</li> <li>No supportive evidence is given to prove how that government regulates private business.</li> </ul>
<p><b>Government control over trade</b></p> <p><i>Explain Scores</i></p>	<ul style="list-style-type: none"> <li>Level of Business Freedom (Taxes &amp; Process to start a business)</li> <li>From reading this section the viewer has a clear understanding of how your IBP country views privatization of business.</li> <li>Research <b>State Owned Enterprise</b> for ideas.</li> <li>Ex: Are privately owned industries, companies, corporations encouraged or are they state owned.</li> </ul>	<ul style="list-style-type: none"> <li>Level of Business Freedom is not discussed</li> <li>A vague understanding of how government regulates private business is given with little understanding of how it impacts their product/company specifically</li> </ul>	
<p><b>Government's control over private business</b></p>			
<p><b>Total Grade</b></p>			
<p><b>Rough Draft Turned in on Time</b></p>	<p>Due Date: <u>October 25, 2016</u>    Yes    No</p>	<p>Turned in late on: _____ /10 pts</p>	<p>_____ /10 pts</p>
	<p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>		

**Concepts from book:** Be able to compare & contrast the four main types of political systems: Democracy, Republic One-Party States, & Theocracy.

• Be able to compare & contrast Statutory & Case Law. Understand the importance of Contract Law when conducting business overseas.

• Political Systems, Political Risk, Political Economic Movement, Corruption & Which Countries have high/low levels of it, Sustainability, & Kyoto Protocol

**Section II Part A**

3. Describe laws and/or governmental agencies that affect your business/product/service [i.e., labor laws, trade laws (U.S.A. and/or Canada and foreign)]

	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
<p><b>Sources:</b>  <a href="http://www.heritage.org/index/">http://www.heritage.org/index/</a>  <b>List of FTA's</b>                      Asia: <a href="https://aifc.adb.org/fta-country">https://aifc.adb.org/fta-country</a>                      USA: <a href="https://ustr.gov/trade-agreements/free-trade-agreements">https://ustr.gov/trade-agreements/free-trade-agreements</a>                      Agencies:  <a href="https://en.wikipedia.org/wiki/State-owned_enterprise">https://en.wikipedia.org/wiki/State-owned_enterprise</a></p>	<p>• Paper provides an overview of agencies that impact a company / product in their IBP Country. At least two agencies are referenced. Example: Federal Trade Commission in the USA</p>	<p>• Paper provides a very limited scope of agencies that impact a product traveling overseas                      • Only agencies are mentioned with no real detail has to how they operate given.</p>	<p>• No government agencies impacting your IBP country are stated                      • An overview of laws that limit or restrict businesses in your IBP country are not provided</p>
<p><b>Laws &amp;/or Govt. Agencies that Impact your product</b>                      UN, NATO, Euro-Atlantic                      IMF, World Bank, WTO                      Labor Laws                      Trade Clause                      Employment Contracts</p>	<p>• Labor Freedom (Heritage &amp; Global)                      • Regulatory Efficiency (Heritage)</p>	<p>• Labor laws that impact the workforce are stated but not explained. A vague understanding of how that law impacts a business is provided.</p>	<p>• Labor laws are listed but only minimally explained or not listed at all</p>
<p><b>Trade Laws</b>                      Dutch                      Language Laws                      Trade Agreements</p>	<p>• Trade Freedom: Actual score, world ranking, &amp; Comparison to the United States                      • Open Market Description (Heritage)                      • Free Trade Agreements (ABD)</p>	<p>• Only trade agreements are listed.                      • Limited understanding of how trade laws impact imports &amp; exports</p>	<p>• No trade laws or agreements are referenced                      • Paper does not provide a basic understanding of how trade impacts your IBP Proposition</p>
<p><b>Total Grade</b></p>	<p>Due Date: October 25, 2016 <input checked="" type="checkbox"/> <b>YES</b></p>	<p>No</p>	<p>Turned in late on: _____ /10 pts</p>
<p>Rough Draft Turned in on Time <input checked="" type="checkbox"/> <b>YES</b> / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</p>			

**Key Terms from 4.1**

- Compare & Contrast Developed Countries (First World), Newly Industrialized Countries (Second World), & Developing Countries (Third World)
- Income Distribution Terms & Concepts: Lorenz Curve, Line of Absolute Equality, Line of Absolute Inequality, & Education (2 things education suggests)
- Population Concepts: Population Pyramid, Social Class, & Class Mobility

Source(s): CIA World Factbook: People & Mobility Section

**Section II Part B: Trade area and cultural analysis**

1. Geographic and demographic information, important customs and traditions, other pertinent cultural information, competitive advantages and disadvantages of the proposed product and/or service

	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 – 13.49)	D/F Point Grade (Formal: Below 10.5)
<p><i>Spots - Airport</i> <b>Geographic Information</b> <i>Very Good</i></p>	<ul style="list-style-type: none"> <li>Climate, Terrain, Natural Resources, Natural Hazards that may affect your company, &amp; environment.</li> <li>Information relating to transportation of goods: airport, rail port, &amp; trucking stated &amp; explained.</li> <li>Population pyramid is broken down so that the most largely populated groups are identified &amp; targeted (Gender/Age)</li> <li>Median Age</li> <li>Infant Mortality Rate</li> <li>Birth Rate</li> <li>Population growth rate</li> <li>Ethnic groups with corresponding %'s (race)</li> <li>Education Attainment (Education)</li> <li>Social Class with average median income</li> <li>% living below the poverty line</li> </ul>	<ul style="list-style-type: none"> <li>Factors associated with geography are listed but their value is not explained</li> <li>Limited to No discussion of how transportation is impacted given</li> <li>Only the largest population groups are identified</li> <li>No method of distinction between gender groups</li> <li>Factors such as median age &amp; birth rate are not provided</li> <li>Growth rate of population is stated as a statistic but its relevance is not explained</li> <li>Levels of income are either not provided or only hinted at</li> <li>Levels of education are not clear</li> <li>Some cultural traditions are given but not enough to provide an in-depth understanding of how that country functions.</li> <li>No customs / traditions are mentioned that related directly to the workplace</li> <li>Breakdown of religion is given but little to no explanation is given</li> <li>Hofstede's model is given in picture format with no explanation provided as to what it means</li> <li>Advantages &amp;/or disadvantages your company will encounter are clearly stated. Limited supportive evidence provided</li> </ul>	<ul style="list-style-type: none"> <li>Geographical information is limited with factors that have no real value to your IBP country stated</li> <li>Limited discussion of population factors given.</li> <li>Example: Reader may see a picture of a population pyramid with no explanation of that pyramid given</li> <li>Factors such as income, age, &amp; education levels are missing or given in estimates</li> <li>No breakdown of gender differentiated given</li> <li>Very little reference to customs &amp; traditions is provided</li> <li>The overall attitude &amp; values of the country are either limited in scope or missing altogether</li> <li>Religion is only mentioned as a factor but not explained</li> <li>Limited to no added information given relating to your IBP country's culture</li> <li>Competitive advantages &amp; disadvantages are hinted at but not clearly stated as such.</li> <li>No evidence or statistical data is given explaining advantages that exist.</li> </ul>
<p><b>Demographic Information</b> <i>Language</i></p>	<ul style="list-style-type: none"> <li>Communication: Verbal &amp; Nonverbal</li> <li>Gift Giving v. Bribery</li> <li>Fashion / Dress</li> <li>Manner's, Attitudes, Values</li> <li>Meeting basics / Negotiation Norms</li> <li>Religion</li> </ul>		
<p><b>Important Customs &amp; Traditions</b></p>	<ul style="list-style-type: none"> <li>Geert Hofstede's Model</li> <li>High or Low Context Culture</li> </ul>		
<p><b>Pertinent Cultural Information</b> <i>Transportation</i></p>	<ul style="list-style-type: none"> <li>Advantages &amp;/or disadvantages your company will encounter are clearly stated. With supporting evidence given</li> <li>Examples of Advantages: American Made Brand, Lower Costs, Fulfills market need</li> <li>Examples of Disadvantages: Added costs, transportation delays, government influence, etc..</li> </ul>		
<p><b>Competitive Advantages &amp; Disadvantages</b></p>			
<p><b>Total Grade</b></p>			
<p><b>Rough Draft Turned in on Time</b></p>	<p>Due Date: <b>October 25, 2016</b>    Yes</p>	<p>Turned in late on:    No</p>	<p>_____/10 pts *Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</p>

**Section II Part B: Trade area and cultural analysis**

2. Analysis of the potential location—importance and requirements of each trade document required by the U.S.A. and/or Canada and the country of choice (Export & Import Documentation (GE))

Helpful Sites: <a href="http://www.theglobaleconomy.com/">http://www.theglobaleconomy.com/</a> (Other Indicators Sections)	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
<p><b>Analysis of the Potential Location:</b> <a href="http://www.doingbusiness.org/rankings">http://www.doingbusiness.org/rankings</a></p> <p><b>Doing Business in IBP Name Example; Germany:</b> Country Commercial Guide <a href="http://www.export.gov/cog/index.asp">http://www.export.gov/cog/index.asp</a></p>	<ul style="list-style-type: none"> <li>The selection of your IBP country is proven effective based on statements made in this section</li> <li>Examples of information that could be presented in this section include: Country is geographically in a good region for transportation (airport or seaport nearby), climate assists with need/production of product, there is an adequate level of capable employees available, etc. Trade between your IBP country and the United States is easy &amp; encouraged Paperwork required for trade is minimal or easy to complete.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of your IBP country is proven effective</li> <li>Factors associated with the potential of your IBP Country's location are stated and explained but only 1 or 2 reasons are given to support.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of your IBP country seems viable but a clear rationale for how the actual location of your country is beneficial is not given.</li> <li>Supporting evidence of location selection is minimal to none.</li> </ul>
<p><b>Required Trade Documentation between IBP Country &amp; United States</b></p> <p><b>Common Trade Documents:</b> <a href="http://www.export.gov/logistics">http://www.export.gov/logistics</a> (eg. main 018121.asp Bill of Lading (B/L), Airway Bill (AWB), Certificate of Origin, Certificate of Content, Letter of Credit (LC), &amp; Insurance Policy Certificate)</p> <p><b>American Free Trade Agreements:</b> <a href="http://www.export.gov/FTA/index.asp">http://www.export.gov/FTA/index.asp</a></p>	<ul style="list-style-type: none"> <li>Specific trade documents between your IBP country and the United States are referenced if applicable</li> <li>Whatever paperwork a company would need to transport items from the United States to your IBP country are given &amp; explained.</li> </ul>	<ul style="list-style-type: none"> <li>Only 1 or 2 examples of trade documents are given and purpose of such document is explained.</li> <li>Paper does a good job explaining the form needed, why it is needed, and how it is used; however, it only does that for 1 or 2 forms of documentation.</li> </ul>	<ul style="list-style-type: none"> <li>No mention of trade documentation or a very generic attempt at trade documentation is presented. Example would be paper simply states a certificate of origin and bill of lading would be required.</li> </ul>

<p><b>Total Grade</b></p> <p><b>Rough Draft Turned in on Time</b></p>	<p>Due Date: October 25, 2016    Yes    No</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>	<p>Turned in late on: _____ / 10 pts</p>
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**Comments:**